World Bank study on performance of export professing zones

*351. SHRI RASHEED MASOOD: Will the Minister of COMMERCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "EPZs fail to deliver goods" which appeared in the Business Standard of May 26, 1989;

(b) whether it is a fact that according to a World Bank study the record about technology transfer, absorption of labour, export promotions, etc. by the Export Processing Zones in the Asian countries has been disappointing; and

(c) if so, what corrective steps Government propose to take to regulate the Indian Export Processing Zones so as to achieve the desired objective?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH): (a) Yes, Sir. Sir.

(b) and (c) A statement is laid on the Table of the House.

Statement

A study of the Export Processing Zones (EPZs) in four Asian countries namely, Indonesia, Republic of Korea, Malaysia and Philippines has appeared in the World Bank Research Observer of January 1989. It has been observed, with reference to the experience in these countries, that the transfer of technology to and linkage of the domestic economy with these Zones has been disappointing. It is, however, mentioned that the Zones have achieved the objective of earning foreign exchange and providing employment. The author has concluded that the EPZs have a limited role in export promotion.

These conclusions are not applicable in the context of the performance of the Indian export processing zones. An evaluation of the working of the already established zones in India, such as at Kandla and Santacruz has indicated a net positive gain to the economy and the achievement of an internal rate of return which is higher than the normally rate of return accruing on Government investments. The linkage of Indian Zones with the domestic economy is more effective in view of the developed industrial infrastructure in the country.

Government is constantly reviewing the performance of the EPZs in the country with a view to improving the performance through appropriate promotional measures and input support.

Central scheme to improve canal irrigation facilities

*352. SHRI SHANKER SINH VAGHELA: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether the Central Government have any plan to raise the percentage of canal irrigation facilities in States which have less than 10 per cent of their crop-growing areas under canal irrigation; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI M. M. JACOB): (a) and (b) According to the latest Land Use Statistics available (1985-86 provisional), the percentage of canal irrigaton facilities to net areas shown is less than 10 per cent in many States. To augment irrigation by canals, a number of major and medium projects have been taken up in these States.

Setting up of export oriented units outside export processing zones

*353. SHRI SATYA PRAKASH MALAVIYA:

SHRI ARANGIL SREEDHARAN:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that under 100 per cent Export Oriented Units

(EOU) Scheme his Ministry have cleared substantial number of project proposals outside Export Processing Zones, if so what are the details thereof;

(b) what special facilities and incentives are offered by Government to encourage the setting up of units outside Export Processing Zones;

(c) what formalities are required to be completed and what norms have been laid down for the setting up of small/medium units under the Scheme;

(d) whether there are any firm limits on the size of an enterprise and also minimum and maximum investment to be made;

(e) what are the names of the authorities to be approached for clearance of units under the Scheme; and

(f) whether his Ministry have set up a guidance cell for the purpose; if so, what are the details thereof?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH): (a) Government have so far approved 1011 projects under the scheme of 100 per cent Export Oriented Units.

(b) The Scheme of 100 per cent Export Oriented Units offers the same incentives and facilities as are available to projects in Export Processing Zones. These include duty free import of capital goods and production inputs, a five year tax holiday, cash compensatory support at 50 per cent of the level applicable in the Domestic Tariff Area facility of 100 per cent foreign ownership and full repatriation of dividends, sale of the production upto 25 per cent in the Domestic Tariff Area subject to the exclusion of certain sensitive item, priority in access to infrastructural facilities etc. However, in the case of Export Processing Zones, in addition an established, industrial infarstructure is made available by the Government. Units under the 100 per cent EOU Scheme may be established in locations at the choice of the entrepreneur.

(c) and (e) Applications for establishing 100 per cent EOUs have to be submitted to the Secretariat for Industrial Approvals and are considered by a duly constituted Inter-Ministerial Board of Approvals, in the Ministry of Commerce, comprising of the representatives of the DGTD, the Administrative Ministry, the Ministry of Finance etc.

Projects are considered having regard to technical characteristics, viability, foreign exchange earnings, value addition etc. Due consideration is given to the utilisation of indigenous resources and technical skills especially in the case of medium and smaller projects.

(d) There are no specific limits on the amount of investment. Proposals are considered in relation to the operational viability.

(f) Progress of the projects is regularly reviewed by the Government. Periodic meetings are held by the 100 per cent EOU Division in the Ministry of Commerce with the licencees for redressal of problems and to offer guidance wherever possible.

Lack of equipment with Delhi fire service to fight gas leakage incidents

*354. SHRI KAPIL VERMA :
SHRIMATI VEENA VERMA:

Will the Minister of HOME AFFAIRS be pleased to state :

(a) whether it is a fact that the Delhi Fire Service does not have adequate equipment to effectively fight any chemical gas leakage disaster and has to depend upon outside experts;

(b) whether the fire fighting staff has adequate trainnig for tackling such incidents; and

(c) what are the main recommendations/findings of Shri Vipul Mitra, SDM in a chemical gas accident case in North West Delhi some time ago and what action has been taken on the basis thereof ?

THE MINISTER OF HOME AFFAIRS (SHRI BUTA SINGH) : (a) to (c) According to Delhi Administration, Delhi Fire Service is in a better position, as regards equipment and training, to deal with incidents involving leakage of gas.